



**U.S. Department of Justice**

*United States Attorney's Office  
Eastern District of New York*

F.#2009R02380  
DSS/CMT

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271 Cadman Plaza East  
Brooklyn, New York 11201

October 1, 2014

BY ECF

The Honorable John Gleeson  
United States District Court  
Eastern District of New York  
225 Cadman Plaza East  
Brooklyn, New York 11201

Re: United States v. HSBC Bank USA, N.A. and  
HSBC Holdings plc  
Criminal Docket No. 12-763 (JG)

Dear Judge Gleeson:

Pursuant to the Court's July 1, 2013 order directing the government to file quarterly reports regarding the implementation of the deferred prosecution agreement ("DPA") in the above-captioned matter, the government submits this status report.

During the last quarter, the Monitor made substantial progress in completing the six country reviews and two thematic reviews included in his First Annual Follow-up Review of HSBC Holdings plc's ("HSBC Group's") anti-money laundering program. The six countries the Monitor is reviewing are the United States, the Philippines, Canada, Malaysia, Hong Kong and Oman. The thematic reviews are of HSBC Group's private banking and trade finance businesses. These reviews are intended to give the Monitor visibility into HSBC's anti-money laundering and sanctions programs throughout the world. These reviews are expected to be completed in the next quarter. The Monitor's findings will be included in the First Annual Follow-up Report scheduled to be issued in the first quarter of 2015.

The Monitor also continued to make assessments of HSBC's implementation of the recommendations issued as part of

his initial report. HSBC Group continues to make progress on implementing these recommendations. The Monitor is expected to make specific findings regarding HSBC Group's implementation of the Monitor's recommendations as part of his First Annual Follow-up Report.

Respectfully submitted,

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